

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Periodic Reporting  
(Proposal Seven)

Docket No. RM2017-11

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued August 22, 2017)

To clarify the Postal Service's petition to consider changes to analytical principles, filed July 28, 2017, the Postal Service is requested to provide a written response to the following questions<sup>1</sup>. The answers should be provided by August 29, 2017.

1. Please refer to the DSCF Nonprofit Machinable and Irregular Parcels data in Table 1 in Excel file: "Prop.7.Dropship\_Passthroughs.xlsx."
  - a. Please confirm that for Nonprofit Machinable and Irregular Parcels, per piece rated discounts were less than per piece rated avoided costs. If not confirmed, please explain.
  - b. Please confirm that for Nonprofit Machinable and Irregular Parcels per pound rated discounts were less than per pound rated avoided costs. If not confirmed, please explain.
  - c. If a. and b. are confirmed, please explain how the new methodology results in a passthrough exceeding 100 percent for this discount.
2. Table 1 in Excel file: "Prop.7.Dropship\_Passthroughs.xlsx" calculates passthroughs by expressing the total avoided cost per piece times the total

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<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Seven), July 28, 2017 (Petition).

- number of pieces as the denominator in the passthrough calculation. Petition at 2. Please update Table 1 to include passthroughs by expressing total avoided cost per pound times the total number of pounds in the denominator. In addition, please explain any differences in passthroughs between the two methods.
3. Please confirm that the source for the FY 2016 volumes and pounds presented in Table 1 in Excel file: "Prop.7.Dropship\_Passthroughs.xlsx" are the FY 2016 Standard Mail Billing Determinant volumes and pounds from the FY 2016 Annual Compliance Report. See Docket No. ACR2016, Library Reference USPS-FY16-4 – FY2016 Market Dominant Billing Determinants, December 29, 2016.
- a. If confirmed, please update columns (a), (b), and (c) in Table 1 to link to each cell to its corresponding values in the FY 2016 Billing Determinants.
- b. If not confirmed, please provide a source for the FY 2016 volumes in Table 1. In addition, provide a narrative that explains why it was not appropriate to use the FY 2016 Standard Mail Billing Determinants for this analysis.

By the Chairman.

Robert G. Taub